

BOARD POLICY Section II #19	Page 1 of 1
	Effective Date:
Subject: Chief Executive Officer Hiring & Compensation	Revised Date: 05/23/12
	Approved By:

Background:

The Bylaws of the West Contra Costa Healthcare District Board of Directors (Board of Directors) and the Bylaws of the Doctors Medical Center – San Pablo Governing Body (Governing Body) both outline the powers and authority of the Governing Body, including hiring (with Board of Directors ratification) of the Chief Executive Officer. The purpose of this Policy is to outline the Governing Body process for hiring and compensation of the Chief Executive Officer.

The Governing Body is committed to the development of an executive compensation contract and package for the Chief Executive Officer that reflects industry, local market, and district hospital comparative standards for organizations of similar size and complexity, and is based on a market study conducted by a recognized outside compensation review firm.

Policy:

Prior to the hiring of a Chief Executive Officer and at least bi-annually thereafter the Governing Body will have completed on its behalf, by a recognized compensation review firm, a survey of Chief Executive Officer total compensation package trends. This survey information will be used to set the initial compensation package and employment contract terms, and for any change in compensation or benefit granted to the Chief Executive Officer by the Governing Body.

At the time of each compensation survey review (including the review prior to initial hiring), the Governing Body will set a general compensation philosophy regarding where the Chief Executive Officer's compensation will stand relative to the market (i.e. at the 50% of recognized industry compensation, at the 75% of recognized industry compensation, etc.). Such philosophy will be guided by recruitment challenges, the existing environment and needs of the District at that time, the economic position of the District, etc.

At the discretion of the Governing Body and consistent with relevant State law, incentive and/or deferred compensation, severance obligations and other benefit programs may be provided as part of the Chief Executive Officer compensation to the extent the total package remains consistent with the survey results and relevant State law.

The compensation and benefits package provided to the Chief Executive Officer will be outlined in a written employment contract, executed by the Chief Executive Officer and the Chairperson of the Governing Body, will be reviewed and approved by the Governing Body, and will be included in the agenda materials available for public review.